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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

ZIYUE GUO and STANLEY SU

Plaintiffs,

v.

XIN YAO, LUYANG GAO, KEYU SUN,
STARFIELDS CAPITAL MANAGEMENT LLC,
and LEAFIRE INC.

Defendants.

CIVIL ACTION

Case No.:

JURY TRIAL DEMANDED

Plaintiffs ZIYUE GUO ("Guo") and STANLEY SU ("Su"), by and through their undersigned counsel, by way of Complaint against Defendants XIN YAO, LUYANG GAO, KEYU SUN, STARFIELDS CAPITAL MANAGEMENT LLC, and LEAFIRE INC. allege as follows:

JURISDICTION AND VENUE

1. Jurisdiction of this action is conferred upon the Court as this action involves two (2) New York plaintiffs, three (3) California defendants and a defendant who is a citizen of China, and the amount in controversy is over \$75,000.00 pursuant to 28 U.S.C. 1332.

- 1 2. Venue is proper in this district based upon the fact that a substantial part of the events giving
2 rise to Plaintiff's claims occurred within the County of New York, the State of New York,
3 within the Southern District of New York.

4 **THE PARTIES**

- 5 3. Plaintiff Guo is a resident of the State of New York.
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7 4. Plaintiff Su is a resident of the State of New York.
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9 5. Defendant Yao is a resident of the State of California.
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11 6. Defendant Gao, who is Yao's wife, is a resident of the State of California.
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13 7. Defendant Sun is a resident of China.
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15 8. Defendant Startfields Capital Management LLC ("Starfields") is a limited liability company
16 formed by Defendants Yao and Sun under the laws of the State of Delaware. Yao and Sun are
17 the two (2) members of Starfields.
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19 9. Defendant Leafire, Inc. ("Leafire") is a corporation formed under the laws of the State of
20 Delaware. Its current principal place of business located at 104 Discovery, Irvine, California
21 92618.
22
23 10. At all material times, all individual defendants were residents of the State of New York, and
24 they operated and controlled Starfields and Leafire in the State of New York, within the
25 Southern District of New York.
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28 **FACTUAL BACKGROUND**

11. Defendants Sun and Yao, in a calculated and deceptive manner, orchestrated a fraudulent
scheme to solicit purported investments from innocent individuals, including Plaintiffs Guo
and Su.

12. In October, 2017, Defendants Sun and Yao had WeChat and/or phone communications with Plaintiff Guo, during which they skillfully made false representations regarding an alleged IPO investment opportunity.
13. During the discussion, Defendants Sun and Yao assured Plaintiff Guo that they would guarantee the return of the principal amount, and would split the profits from the investment on a 50/50 basis. This understanding was confirmed in the parties' subsequent understanding.
14. Relying on Defendants Sun and Yao's misrepresentations, Plaintiff Guo transferred \$50,000 from his bank account to Xin Yao's account in October 2017 as part of the alleged investment opportunity.
15. In December 2017, Defendants Sun and Yao perpetrated another fraudulent act by misrepresenting to Plaintiff Guo about a secondary market investment opportunity. They falsely assured Plaintiff Guo that upon Guo making another investment payment, they would promptly return the principal amount in its entirety, including the \$50,000 already paid by Plaintiff Guo in October.
16. Consequently, relying on Defendants Sun and Yao's false promises, Plaintiff Guo made further payments totaling no less than \$150,000, on or about December 20, 2017.
17. However, Defendants Sun and Yao callously disregarded their assurances and consistently provided excuses, intentionally failing to return the principal amount to Plaintiff Guo.
18. Plaintiff Su, who had a previous association with Defendant Sun from their time at Columbia University, was a prime target in Defendants' fraudulent plot. Defendant Yao artfully misrepresented that he, too, attended Columbia University to gain Stanley Su's trust.

- 1 19. Taking advantage of the trust established, in early 2017, Defendants Sun and Yao falsely
2 represented to Plaintiff Su that through Defendant Starfields, they could lawfully purchase
3 IPO stocks at discounted prices. They further guaranteed the safety of Stanley Su's principal
4 investment and promised to share profits on a 50/50 basis.
- 5 20. Relying on Defendants Sun and Yao's misrepresentations, Plaintiff Stanley Su transferred no
6 less than \$250,000 to them.
- 7 21. Defendant Gao actively participated in the fraudulent scheme by conspiring with
8 Defendants Sun, Yao, and Starfields. Defendant Gao played a pivotal role in the deceitful
9 operation, and benefitted from the ill-gotten gains of the scam.
- 10 22. The purported investment opportunities, which induced Plaintiffs to transfer money to
11 Defendants, were fake.
- 12 23. Once Defendant Yao informed Plaintiff Guo that Defendant Gao took all of the investment
13 money, which was deposited into her personal bank account(s).
- 14 24. Defendant Yao and Gao are the owners and operators of Leafire, Inc., which is in the
15 business of real estate and cannabis.
- 16 25. Instead of investing in securities as Defendants misrepresented, Defendants Yao and Gao
17 transferred Plaintiffs' investment funds, in whole or in part, to Leafire, without Plaintiffs'
18 knowledge and approval.
- 19 26. Plaintiffs eventually realized that the purported investment opportunities were a shameless
20 fraud. All of the defendants conspired together to defraud Plaintiffs for money.
- 21 27. Plaintiffs have discovered that there are other victims who fell prey to Defendants'
22 fraudulent scheme, suffering financial losses similar to Plaintiffs Guo and Su.
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1 28. All of the defendants should be jointly and severally liable for the damages suffered by
2 Plaintiffs due to the conspiracy they committed.

3 **COUNT I: FRAUD**

4 29. Plaintiffs re-allege and incorporate by reference all allegations in the preceding paragraphs
5 as if fully set forth herein.

6 30. Defendants intentionally made false representations to Plaintiffs about the alleged
7 investment opportunities, purposefully inducing them to invest substantial sums of money.

8 31. Defendants' misrepresentations were made with the specific intent to deceive and defraud
9 Plaintiffs.

10 32. Plaintiffs justifiably relied on the false representations made by Defendants and suffered
11 severe financial harm as a direct result.

12 33. Defendants' fraudulent conduct, deception, and intentional misrepresentation of investment
13 opportunities display a callous and wanton disregard for the rights and well-being of
14 Plaintiffs and other victims.

15 34. Punitive damages are warranted to punish Defendants and to deter them and others from
16 engaging in similar fraudulent activities in the future.

17 **COUNT II: CONVERSION**

18 35. Plaintiffs re-allege and incorporate by reference all allegations in the preceding paragraphs
19 as if fully set forth herein.

20 36. Defendants misappropriated Plaintiffs' funds, and intentionally exercised control and
21 dominion over said funds or stock purchased with said funds, without justification.

22 37. Defendants represented to Plaintiff Guo that his funds were used to buy stocks, including
23 without limitation certain shares of a stock (NASDAQ: HX).
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1 38. Defendants represented to Plaintiff Su that his funds were used to buy stocks, including
2 without limitation certain shares of a stock (NASDAQ: IMFK).

3 39. Defendants' wrongful acts of conversion caused substantial financial harm to Plaintiffs, who
4 are entitled to the immediate return of their converted funds.
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7 **COUNT III: Breach of Fiduciary Duty**

8 40. Plaintiffs re-allege and incorporate by reference all allegations in the preceding paragraphs
9 as if fully set forth herein.

10 41. Defendants Yao and Sun owed fiduciary duties to Plaintiffs.

11 42. Defendants Yao and Sun solicited and engaged Plaintiffs to make investments, which in turn
12 would benefit them financially.

13 43. Plaintiffs relied upon the relationship created by their investments to Defendants.

14 Defendants Yao and Sun were in a dominant position of knowledge of the facts of the
15 investment.
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17 44. Plaintiffs had no discretion with regard to the investment of their monies.

18 45. Defendants Yao and Sun were under the duty of law as promoter and seller of an investment
19 under the federal and state securities laws to disclose all material information and not
20 provide misleading information.

21 46. Defendants Yao and Sun made numerous misleading and blatantly false material
22 representations.
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24 47. Plaintiffs relied on the advice provided by Defendants Yao and Sun with regard to the
25 investment opportunities.
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1 48. Defendants Yao and Sun solicited and engaged Plaintiffs to make the investment and
2 intentionally misled Plaintiffs that they would protect Plaintiffs and their interests.

3 49. As a result of Defendants Yao and Sun's breaches of fiduciary duties, Plaintiffs were caused
4 to suffer and sustain significant damages.

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6 **COUNT IV: UNJUST ENRICHMENT**

7 50. Plaintiffs repeat and incorporate by reference each of the foregoing paragraphs as if fully set
8 forth herein.

9 51. By retaining the investment funds from Plaintiffs and receiving other financial benefits in
10 connection with Plaintiffs' investment, the defendants were unjustly enriched at the expense
11 of Plaintiffs.

12 52. Defendants' enrichment lacks a legal or justifiable basis.

13 53. It is unfair and unjust for Defendants to keep the benefit without compensating Plaintiffs.
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16 **PRAYER FOR RELIEF**

17 **WHEREFORE**, Plaintiffs Ziyue Guo and Stanley Su pray for relief against Defendants,
18 jointly and severally, as follows:
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- 20 A. Compensatory damages in an amount to be determined at trial, but not less than \$200,000 for
21 Plaintiff Ziyue Guo, and not less than \$250,000 for Plaintiff Stanley Su;
22 B. Punitive damages in an amount to be determined at trial;
23 C. Attorney's fees and costs incurred in this action;
24 D. Interest; and
25 E. Such other and further relief as this Court deems just and proper.
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DEMAND FOR TRIAL BY JURY

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiffs demand a trial by jury on all questions of fact raised by the Complaint.

Dated: August 22, 2023



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